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C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 003123

SIPDIS

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TAGS: PREL PGOV PMAR PHUM PINR ECON EFIN RS

SUBJECT: CHANGING ROLES IN THE TANDEM LEADERSHIP

Classified By: Political Minister Counselor Susan M. Elliott; reasons 1.4(b/d).

- 11. (C) Recent changes in the public messages and actions of President Medvedev have led to increased uncertainty among regional authorities and bureaucrats. Medvedev's recent decisions to dismiss officials in response to public outcries over the Perm nightclub tragedy and remove prison officials implicated in the death of Sergey Magnitskiy is a contrast to Putin's professed reluctance to sack people. Some observers are beginning to attribute Medvedev's decisive actions as a change in the vertical power structure of the Tandem. While the tone and substance of public pronouncements may be changing, the key themes in the coordinated messages of both Medvedev and Putin remain relatively the same. End Summary.
- 12. (C) In recent weeks, prominent political observers have commented on modifications to the division of labor between President Medvedev and Prime Minister Putin. Medvedev has mainly concentrated on matters under his control, especially foreign policy. Putin has tended to the economy, broadly defined, including the interests of major state corporations such as Gazprom. Exceptions to this division involved Putin more than Medvedev, notably Putin's personal involvement in the Russia-Georgia war. Pundits have observed that the tandem's division of labor is changing. Medvedev spends time on issues that have in the past been the proviso of the PM, and vice versa. Improved bilateral relations with the US have strengthened Medvedev's credibility in the foreign policy arena.
- 13. (C) Since the September printing of his article "Russia Forward!", Medvedev has changed, at least rhetorically, the national debate to a forward-looking assessment of Russia's long-term problems. Prior to this, Prime Minister Putin took the lead on proposing changes to the economic and social systems. Many experts, however, downplay Medvedev's ability to implement reforms to a system that serves the interests of elites, including Medvedev and Putin themselves.
- 14. (C) While it does not appear that the Tandem leadership is contemplating radical change, the national and regional bureaucracies are responding to the new signals they are receiving from Putin and Medvedev. Tatyana Stanovaya of the Center for Political Technologies told us December 21 that several recent developments have left regional elites confused. Medvedev's swift dismissals of Perm oblast officials following the night club fire was consistent with his propensity to sack officials for incompetence. Stanovaya cited another example of mixed signals the dispute between the Kremlin and the White House over tax legislation under consideration by the Duma. The rejection of proposals from Medvedev's economic advisor Arkadiy Dvorkovich in favor of White House proposals, she contended, demonstrated that regional elites cannot count on the Kremlin to get them what

they need. This dissonance has led regional officials to carefully consider how to respond to orders from the Kremlin. They realize that failures can lead to loss of position, but successes may not translate into rewards.

- 15. (C) In spite of his public pledges to fight corruption, few people believe Medvedev will be successful in reducing corruption. The ongoing conflict between General Prosecutor (GP) Yuriy Chaika and Investigative Committee (SK) Chief Sergey Bastrykhin flared again before Christmas with the GP's dismissal of an SK Moscow-level official. Bastrykhin, an ally of Putin, successfully defended his subordinate, compelling Medvedev-ally Chaika to back off. The daily newspaper "Kommersant" described this as a clear loss for Chaika, further muddying the signals to bureaucrats throughout the country as to how effective Medvedev will be in the implementation of his anti-corruption ideas.
- 16. (C) Stanovaya and "New Times" editor Yevgeniya Albats speculated that the mixed messages were leading to government gridlock. Foundation for Effective Politics expert Pavel Danilin, however, attributed this process to normal governance disagreements present in any democratic system. Danilin said that he and his boss, Kremlin-insider Gleb Pavlovskiy, perceive no major differences between Medvedev and Putin, only minor policy disputes between the staffs of the two leaders. He predicted that an amicable split in the tandem will come, but much closer to the 2012 presidential elections. The two are functioning well together and continue to exercise complete political and executive control. During

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a televised interview on December 24, Medvedev said his relationship with Putin remains "friendly" and will not change. While there are undoubtedly differences in the tone and substance of public pronouncements, it is also clear that key themes in the messages of both Medvedev and Putin are well coordinated.

Comment

17. (C) In recent weeks liberal commentators have rescinded some of their previous criticism of Medvedev, citing his decisive steps in removing prison officials implicated in the death of the lawyer Sergey Magnitskiy and firing officials responsible for fire safety in Perm. No one discerns any significant or widening policy gaps between Medvedev and Putin. Rather, their good cop/bad cop coordination seems to be working at the national level, with their public approval rating remaining high. For regional bureaucrats accustomed to paying more attention to decisions from the White House, Medvedev has shaken things up and caused regional officials to rethink their personnel and administrative calculations. That seems exactly what he intended -- to improve his image as a decisive leader and strengthen his own longer-term political ambitions. Rubin